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Senior Women Managers' Transition to Entrepreneurship: Leveraging Embedded Career Capital

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Abstract

This paper explores the phenomenon of senior women managers leaving corporate organisations to start their own companies. Women's advancement to senior management roles is facilitated by the acquisition of human capital and social capital. Female ex-corporate managers leverage personal accumulations of knowledge, skills, relationships and networks when starting and growing new ventures. A conceptual framework of 'embedded career capital' accrued during past experiences and transferable to the individuals' new entrepreneurial ventures is put forward. Structured, in-depth interviews with ten female entrepreneurs who recently left senior management positions in large UK corporations to start their own ventures support a spectrum from embedded career capital which is transferable and value-creating to embodied career capital consisting of immobile, non-rent-generating accumulations.

Structured Abstract

Purpose of the Paper: This paper explores the phenomenon of senior women managers leaving corporate organisations to start their own companies. Women's advancement to senior management roles is facilitated by the acquisition of human capital and social capital. Female ex-corporate managers leverage personal accumulations of knowledge, skills, relationships and networks when starting and growing new ventures. A conceptual framework of 'embedded career capital' accrued during past experiences and transferable to the individuals' new entrepreneurial ventures is put forward. Structured, in-depth interviews with ten female entrepreneurs who recently left senior management positions in large UK corporations to start their own ventures support a spectrum from embedded career capital which is transferable and value-creating to embodied career capital consisting of immobile, non-rent-generating accumulations.

Design/Methodology/Approach: In-depth interviews with ten women who left senior management positions in corporations to start their own businesses were used to explore a conceptual framework of 'embedded' and 'embodied' career capital.

Findings: Senior women managers leverage 'embedded career capital,' human capital and social capital accumulated from past experiences, when founding and growing their own businesses. Embedded career capital is mobile and value-generating to the women's new start-ups. In contrast, embodied capital is not capable of generating rents outside the arena in which it was developed and not transferable to the new venture.

Research Limitations/Implications: This exploratory study is based on ten interviews, and reveals practical implications for both senior women managers eager to advance their careers as entrepreneurs and companies keen to retain these women.

Original/Value of Paper: The results provide support for the new concept of embedded career capital. This paper is one of the first to examine how women account for the use of human capital and social capital in the transition from corporate management to own ventures.

Key words: Entrepreneurship, Female managers, Female Entrepreneurs, Human Capital, Social Capital, Embedded Career Capital

Paper Type: Research Paper

Introduction

Women are earning greater numbers of business and professional degrees and entering the labour force, however these women are not reaching the top corporate management tiers (Catalyst, 2003; Singh & Vinnicombe, 2004). Instead senior women managers are leaving corporate environments to set up entrepreneurial businesses. Stories of these ex-corporate female entrepreneurs have been shared in the popular press (*Wall Street Journal*, 1996) and celebrated in the business community (Vinnicombe & Bank, 2003), however the phenomenon has received limited attention in the academic literature.

Female entrepreneurship is one of the fastest growing sectors of the UK economy, with women representing 13% of small business owners. Nearly fifty percent of UK women in full-time employment believe there are good opportunities to start a new venture and over one third perceive themselves as possessing the skills to start a new business (Harding et al, 2004). Studies of female entrepreneurs in Australia, North America and the UK indicate that many have previous industry and management experience (Bennett & Dann, 2000; Mattis, 2000; Moore & Buttner, 1997).

This fast-growing population of new female entrepreneurs with corporate or management experience has been labeled “careerpreneur,” “corporate incubator,” “corporate climber,” “modern” and “second generation” entrepreneurs (Gregg, 1985; Moore, 2000; Moore & Buttner, 1997). Much of the extant academic research on these women is confined to studies of institutional or individual motivations. Vinnicombe and Bank (2003) summarize the main motivations for the growth of female ex-corporate entrepreneurs as pay inequalities, career frustration due to glass ceilings, and the promise of flexibility from entrepreneurship.

The phenomenon is evidence of the shift from an understanding of career as a sequence of hierarchical promotions in a single organisation to a structure which is more discontinuous and flexible. This new model has been described as the “boundaryless,” “new,” “protean,” “post-corporate,” and “intelligent” career (Arthur & Rousseau, 1996; Arthur et al, 1999; Hall, 1996; Peiperl & Baruch, 1997). The boundaryless career is distinguished by “independence from, rather than dependence on, traditional organizational career arrangements” (Arthur & Rousseau, 1996:6). In her review, Sullivan (1999) summarises boundaryless career as having the following characteristics: flexible employment relationships, transferable skills across multiple firms, on-the-job action learning, personal identification with meaningful work, development of multiple networks and peer learning relationships, and individual responsibility for career management. Women enact their careers differently from men (Powell & Mainiero, 1992) and women are especially situated to benefit from changes in the structure of organisational workplaces and the new age of boundaryless careers (Sullivan, 1999).

There have been calls for research and theory development on the effect of boundaryless careers on women (Sullivan, 1999) and the ways in which female entrepreneurs leverage past experience in their new ventures (Carter, Anderson & Shaw, 2001; Moore & Buttner, 1997). This paper seeks a new approach and addresses the research question, ‘How do senior women managers who leave corporate environments to become entrepreneurs leverage accumulated human capital and social capital in their new ventures?’ This research bridges the gap between the careers literature which has been traditionally concerned with conventional career paths in organisations and the entrepreneurship field which generally begins once the business has started (Dyer, 1994).

This paper defines human capital and social capital and highlights key findings relevant to women managers' career advancement. A conceptual framework of 'embedded career capital' accumulated from past experiences and potentially transferable to the new venture is put forward. Findings from interviews with ten senior female managers who recently founded own businesses are discussed.

Theoretical Background

Human Capital & Senior Women Managers' Career Advancement

Human capital theory is concerned with the role of an individual's investments in education, knowledge, skills and abilities and how this enhances cognitive abilities and can result in more productive activities (Becker, 1964). Human capital resources include both informal and formal education, such as that acquired on the job or in training courses. These knowledge and skills needed to perform a job are valued by organisations and rewarded with pay and promotions.

Studies indicate gender differences in male and female managers' human capital acquisition and rent generation. For example, the interrupted nature of women's careers due to commitments to children, partner's careers, and taking care of elderly kin disadvantages women's human capital acquisition in terms of fewer chances to gain new job skills and atrophy of previously acquired skills. Women who take leaves of absence experience fewer promotions and lower pay when they return to work (Judiesch & Lyness, 1999). See also Metz & Tharenou (2001) and Tharenou (2001).

Social Capital & Senior Women Managers' Career Advancement

While human capital enables job performance and advancement, social capital has also been linked to career success, particularly at upper levels of management. Social capital theory is concerned with an individual's position in a network of relationships and the resources embedded in, available through or derived from these networks (Nahapiet & Ghoshal, 1998). Individuals draw value from trust, reciprocity, information, and cooperation in these associations. Social networks are structured through 'closure' (Coleman, 1988) or 'bonding' ties and 'exposure' or 'bridging' ties, including structural holes (Burt, 1992). In closure models, social capital advantages stem from a protective structure that operates as a closed network, preventing outsiders from coming in and providing members with identity, support and a trusting environment. In contrast, Burt (1992) argues that dense networks access redundant information and instead stresses the 'structural hole' advantages stemming from 'bridging' networks that connect individuals to weak ties and non-redundant information. Social network structures enable access to resources which benefit career success in terms of salary, promotions and career satisfaction and are medicated by access to information and resources and career sponsorship (Seibert, Kraimer & Liden, 2001).

Women and men have different work networks (Ibarra, 1992; Burke, Rothstein, & Bristor, 1995). For example, a study of bank managers found social capital to be more important to women's advancement to higher levels of management than to lower levels of management (Metz & Tharenou, 2001). Women's networks tend to fulfill more social than utilitarian purposes when compared to men's networks (Vinnicombe & Colwill, 1995). Women's exclusion from formal networks limits their ability to advance in the organisation, for example obtaining seats on corporate boards of directors (Burke, 2000). One form of bonding social capital is mentoring, a close relationship designed to support learning and development. Women managers with mentors benefit from feedback, legitimacy, credibility and access to the power structure (Vinnicombe & Colwill, 1995) and are more likely to advance into upper management (Tharenou, 2001). Bridging social capital can also take the form of professional or occupational industry networks, in-company networks or training networks from women's support groups.

From these studies, it is apparent that women who advance to senior management roles have invested in their human capital and social capital. These senior women may leave to set up their own firms. From the entrepreneurship literature we know that entrepreneurs possessing human and social capital specific to the type of venture undertaken are more likely to be successful (Davidsson & Honig, 2003). As female entrepreneurship has been described as an "integrated network" (Brush, 1992) and women are socialised differently in the workplace (Ibarra, 1993), the role of social capital may be particularly salient to these new female entrepreneurs.

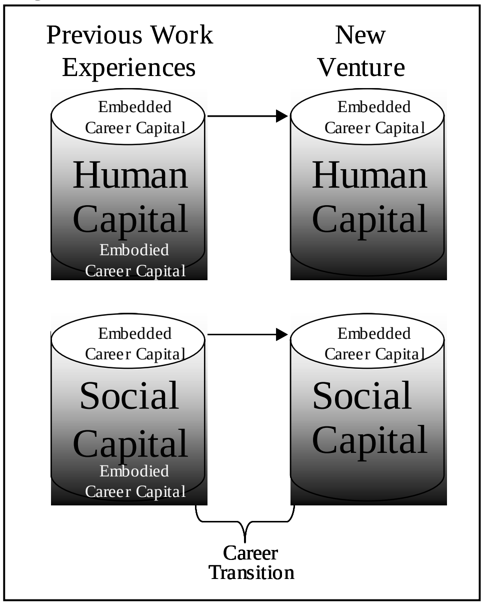
A limited number studies have examined both human capital and social capital (notable exceptions being contributions by Davidsson and Honig in 2003 to the entrepreneurship field and Metz & Tharenou in 2001 to the women's career literature), and still fewer have examined the accumulation and mobility of individuals' competencies. The following conceptual model of the impact of women managers' human capital and social capital on new venture creation is suggested and then tested in the interviews.

Embedded & Embodied Career Capital

Careers are "accumulations of information and knowledge embodied in skills, experience and relationship networks acquired through an evolving sequence of work experience over time" (Bird, 1994: 326). Indeed, for the past three centuries, the term career has been used to refer to individuals' work activities. The original term comes from the Latin *carrara* (*carrus*) describing the carriage traveling along a road. 'Carriage' can be envisaged in the accumulation and transfer of capital along an individual's career journey to entrepreneurship. Individuals accumulate new skills, for example through projects (Arthur, DeFillippi & Jones, 2001). Career competencies vary in degree of transferability: individuals with highly transferable competencies are marketable and not bound to a particular organisation, whereas those with less transferability of competencies possess more firm specific skills (Sullivan, Carden & Martin 1998). To date, studies have placed limited focus on individuals' mobility outside traditional organisations and have not addressed the transfer of competencies to new ventures.

In the age of the boundaryless career, individuals must possess personal competencies which can be adapted to the needs of the workplace (DeFillippi & Arthur, 1994) and portable to new work experiences, including one's own business. To date, boundaryless career research has focused on mobility in terms of physical and psychological passages (Sullivan & Arthur, 2004), and not on transferability to entrepreneurial opportunities. Human and social capital which is mobile and value-generating outside the arena in which it was originally developed can be described as 'embedded career capital.' The individual can control the use and application of these fungible resources. Embedded career capital may be particularly useful to individuals leaving organisations as it increases their marketability and alternative employment opportunities. Human and social capital which is accumulated during work experiences but anchored to and possessing little value outside the arena in which it was originally developed can be termed 'embodied career capital.' Embodied career capital is valuable to individuals in firms as it may help them to move up in the firm, get assigned better work projects, acquire more training and access other opportunities. Figure 1 illustrates this conceptual framework with 'buckets' of human and social capital and transferability noted by shading. 'Embedded career capital' is depicted by clear capital which flows easily across experiences (e.g. 'water') and can be leveraged in a new venture environment. In contrast, the dark shading illustrates 'embodied career capital' which is previous experience-specific, 'sticky' and not transferable to or rent generating in a new experience or venture (e.g. 'tar'). The grey capital may, with effort, be transferred (e.g. 'molasses').

Figure 1: Embeddedness of Human Capital and Social Capital



So, in summary, individuals have four types of career capital: embedded human capital, embedded social capital, embodied human capital and embodied social capital. Embedded career capital includes both human capital and social capital dimensions which can be seen in the context of the three ways of knowing (DeFillippi & Arthur, 1994). Human capital is captured in "knowing how," the knowledge and skills needed to perform a job, as well as the industry, management and other experience acquired in this process. Social capital is described in "knowing whom," the individual's network of family, friends, mentors, colleagues and professional associations. These include both bonding and bridging relationships. Finally, "knowing why" focuses on an individual's motivations, values and identity, such as the need for a balance between work and family activities.

Sample & Methodology

This paper is based on structured, in-depth interviews with ten women managers who recently left senior management positions in large UK corporations and established their own ventures. For the purposes of this study, an entrepreneur is defined an individual who initiates a business, has at least 50% ownership, is actively engaged in management, (Moore & Buttner, 1997) and has a minimum of five years of management experience in corporate. Furthermore, the interviewees are at the 'early stage' of business founding, e.g. in the first 0-3 years, so as to limit post-hoc rationalization. The entrepreneurs ranged in age from 30 to 58, with an average age of 40, and number of years of work experience ranged from 7 to 35. The new businesses included financial services, management consultancies, retail, sports and leisure services and a medical practice. Business ages range from five months old to just shy of three years old. The women were identified through alumnae networks of two UK business schools. Interviews were taped and transcribed. The use of Nvivo software and the techniques of categorization and sub-categorization aided the analysis.

FINDINGS

Drawing on the interviews, the following themes emerged: human capital or 'knowing how' in the form of industry and start-up experience, social capital or 'knowing whom' in the form of bonding ties to partners and mentors and bridging ties to acquaintances, and motivations or 'knowing why.'

Human Capital: "Knowing How"

Nine entrepreneurs had previous work experience in the industry in which they started their new venture, a finding consistent with earlier studies (Mattis, 2000; Moore & Buttner, 1997). The women used rich language to describe their strong relationship to respective industries. Three entrepreneurs began their careers as temporary workers or administrative assistants and worked their way up to senior management ranks. One woman described her career transitions in one Fortune 500 retail firm from a part-time job folding and selling clothes on the shop floor to CEO and then to starting her own private equity firm which invests in retail brands,

> "While I was skiing, I got a job at [US-based global retailer], working 18 hours a week. I started as a sales person in a $250 million company and left 18 years later as the President of a $5.5 billion company. I did every single job in between. . . I love retail and the [UK-based global retailer] work showed me that what I really love to do is the build and grow businesses. I asked myself, 'How creative is British retail?' I wanted to leverage the brands and put together a collection of brands."

Another woman whose first job was as an administrative assistant spoke about how she drove her career and acquired new competencies, especially in finance,

> "I got placed . . . as an administrative assistant in [Conglomerate] Treasury and Real Estate department while the normal person was on maternity leave. . . . after the person came back who I was covering for, I got offered a job in the Finance department of the communications company and I started there as an assistant. . . I started looking at what the people around me did. I found these people called financial analysts who spent most of their day building really complex excel systems. I didn't even know what they were. But because I had a proclivity with computers and it seemed very interested, I started helping them out. I ended up telling our CFO that this was what I wanted to get into. Eventually he made me a junior financial analyst. I did a lot of on the job training. I didn't have any real financial background. I became a financial analyst and that led on to marketing analysis, business analysis. I moved throughout the division. Every time our owner wanted to start a new company which he did quite frequently, I would be on the team to create the business model and objectives for them. Now, with [own company], I help small business owners with financial analysis and business development."

This acquiring 'knowing how' experience was also shared in an interview with a woman who established her own IT consultancy. She recalled a decision earlier in the year to leave a Fortune 500 management consultancy to set up her own IT practice because, "the experience and background that I now have puts me in the position where I feel that you can offer a very good, rounded experience to other organisations as a company in my own right." Several entrepreneurs had prior start-up experience in their former organisations or through ventures while in college. One woman shared her start-up and management experience learning from her previous employer,

> "What has been helpful to me is that I've had to build a business; I've had to downsize it. I've learned my lesson about taking on too many overheads, taking on too many staff, not being able to scale down properly, the management, not being able to make new clients because you are in meetings manning your staff and all that sort of awful balance that is a constant juggling act."

Not all training and development experiences were described as useful by the new entrepreneurs. Another woman who exited a Fortune 500 management consultancy lamented some of her corporate investments,

> "I practically grew up at [large management consultancy]. It was my first job out of college and I learned to do things the [former employer] way. . . the [strategy implementation] framework, the client deliverables. . . time sheets and admin[istration]. . . [now] I want to develop [my company] my way. I have to think outside of that [former employer] box. I don't have time sheets. . . I don't have to fill in the [framework] boxes. I develop different deliverables for our clients."

Corporate experiences provided the women with an opportunity to experiment with entrepreneurial business models and the knowledge and skills to someday start their own businesses. However, certain types of human capital were not always reported as a useful input to the new venture.

Social Capital: "Knowing Whom"

Bonding Ties: Partners

Only four entrepreneurs in the sample started businesses on their own, a finding consistent with prior research that new ventures are often started by groups of two, three, four or five individuals (Ruef, Aldrich & Carter, 2003). Three entrepreneurs started the business with their spouse or partner. One entrepreneur brought her brother in as a partner. Another two entrepreneurs partnered with former work colleagues or acquaintances. Using the classification developed by Svejenova and Alvarez (2004), we focus on the genesis of a partnership dyad as working or affective relationship and the type of roles as either complementary or interchangeable.

This dimension of social capital was not distinct from human capital. In fact, two of the women talked openly about partner choice as based on competence. The woman who started a private equity firm of luxury retail goods spoke about her selection of four partners and their respective skills,

> "I put a team together. [Partner one] was [Conglomerate's] chief strategist and did investor relations, real estate, and leasing. He is a good entrepreneur and shares my passion for pop culture and fashion. . . [Partner two] was at [Investment bank] in retail, and also he helped pull [large US retailer] out of bankruptcy. Along the way, he said that he always wanted the entrepreneurial challenge of going on his own . . . [Partner three] did a lot of entrepreneurial things for the [wealthy industrialist] family who have about eight billion dollars in private wealth. [Partner four] represented [owner of large UK retailer] on a few things and then was asked to come over as the development director."

While the entrepreneurial partners had shared previous work relationships, other entrepreneurs used similar language about competence when selecting individuals with whom they have affective genesis ties. For example, the female founder of a recruiting firm brought in her brother as a partner and leveraged his finance and accounting skills,

> "My brother is a CA [chartered accountant] and he is my Finance Director because I knew that I needed to have a partner that I really trusted. . . one of the reasons why I would never have done this before is because my brother wasn't as far down his career. He is only a year younger than me, but he has always been my little brother. And he had to prove to me that he was actually big enough for the job that I wanted him to be in, because I wasn't just going to run a small, boutique company. I want to grow this business. And I wanted to know if he was up for it. So, I guess we had to be able to win each other's respect outside of our brother-sister relationship."

Although this entrepreneur was keen on the skills her brother could bring to the business, two entrepreneurs discussed the reasons why they did not involve close family members. The founder of a medical practice discussed her resistance to her husband's desire to be part of the business, "Initially, my husband wanted to be involved and he really wanted to go one way. I said, 'I'm going to sack you. I want you to know that I am going to do my own thing.'" Other women considered the partnership from a competence perspective. For example, a new financial services advisory entrepreneur talked about why she chose to start the business on her own,

> "I didn't have a [business] partner because that person would have needed to have complementary skills. My big weakness is sales and marketing. I am a back office person. That is what my business does. There is no one really who would be a good sales and marketing person whom I would also want to go into business with. A partnership wasn't an option, but perhaps it would be in the future."

Bonding Social Capital: Mentors

In the course of the interview, seven entrepreneurs mentioned mentors, whose genesis came through both working and affective relationships. Another entrepreneur who started a financial services advisory firm spoke of her relationship to a work mentor,

> "I guess I first met [mentor] when I worked at headquarters. . . He was a VP back then and I worked very closely. . . especially observed him with our clients and managing the department. . . when I left to start this office. . . he still kept the door open for me. . . he helps me think about [my] business development and where I want to take [my company]."

Still other women mentioned the role of family mentors, particularly parents engaged in business or entrepreneurial activities. One woman who did not attend university and was a company director before starting her services firm spoke about her father's mentoring role,

> "Dad was involved in putting the business plan together for this company. . . he is a Chartered Accountant. He was the person who taught me. He was always asking me about cash flow and all the things that really when you are a marketing and sales person, you are not really that interested in but it is so important for you to understand it. I can remember when I was 22 years old, we would be sitting in the garden. And he would go, right, 'You come and read this Profit and Loss account, and you tell me what is happening in this company.' And he was on the board of various small companies and he would make me read that report and would make me tell him what I thought was actually going on inside the business which is not my inclination. My inclination is just to look at the top line sales,

not the kind of thing that is going on inside the P&L. So, he was quite a sort of mentor to me."

These women describe mentors from both working and affective ties, and as spanning both organisational and entrepreneurial careers. Several women mentioned multiple mentors, a finding consistent with prior research (Kram, 1985; Higgins & Thomas, 2001).

Bridging Social Capital: Weak Ties

Clearly, close bonding ties provided the women with support and knowledge during the course of their boundaryless career. Women also reported 'bridging' weak ties which connected them during and after the transfer from corporate to own ventures. One woman described how a friendly birthday party led to a new client,

> "The other thing that I did, quite a clever thing actually—I had a 40th birthday party in January and I didn't invite any clients because I don't mix my personal with my business life, but most of my friends—the men, they run their own businesses or they are quite senior in businesses; and if the girls work, they are quite senior and if they don't work, they are prolific networkers. . . I did a speech and it was very light-hearted speech about stuff. But right at the end, I said, 'I have got a very small announcement to make because some of you will realize that I am going to be having another baby. . . and it is going to be born March. . . And if you come and speak to me later on, I can share. . . I might be even able to tell you its name. But, really, you are going to have to wait until March to find out.' So, I left them all hanging there. Someone said, 'Oh, she is going to start her own business.' So, there was a sort of little 'shhhh' going round because again, I couldn't say anything because I wasn't allowed to say anything. So that actually worked hugely to my favour because the clients then rang this friend."

One woman who founded a financial services firm spoke about her bridging efforts to acquaintances,

> "I took every single one of my friends who has their own business out to dinner and picked their brains. You know there were also people in professional organisations that I knew who could help me with designing my logo or letter head. Again, I took them out to dinner and picked their brain. Ditto for an accountant friend, a solicitor friend, a PR friend. I asked everyone for contacts that they might have. So I had a couple of peripheral meetings. A friend of mine knew the retired business editor of [major UK newspaper]. I really try to meet as many people as I can."

Clearly, this female entrepreneur sought knowledge in areas in which she had less experience. Other women reported maintaining communication with colleagues from past work. One woman co-founder of a management consultancy recalled how this client communication helped her to staff a new project,

> "[Client] asked us for some programme management help in areas where [Partner] and I don't really have deep skills. We were pretty busy with other work, so we set up an associate network and brought in colleagues who had also left [former employer] to take on some of the work. We also get new client referrals from them."

Still others reported the loss of some contacts during the transition from corporate to own ventures. One female co-founder shared her experience,

> "I have a clause which says that I can't go after my [former employer] clients. That's fair, it's a fresh start for me. Actually I changed my mobile which I wasn't required to do. My business is a different niche. . . from what I did with [former employer]. . . I enjoy meeting new people."

This experiences of 'sticky' client capital pushed entrepreneurs to build new customer bases. Other women entrepreneurs also reported limited or no interaction with colleagues, suppliers and other relationships developed in former employment.

"Knowing Why": Motivations

Entrepreneurs experiences of 'knowing why' they left corporate to start their own firms were also related to past career experiences. Although peripheral to the main purpose of the study and consistent with previous research on the role of pay inequalities, family commitments, corporate constraints and need for flexibility (Bennett & Dann, 2000; Mattis, 2000; Vinnicombe & Bank, 2003), these rich quotes deserve brief mention. Several women spoke about the need to be free from the constraints of corporate life. For example, one entrepreneur who had been the CEO of a Fortune 500 firm shared the motivation of herself and her partners,

> "Entrepreneurship is a very common thread among the partners. We all ran very large businesses and were part of huge businesses, but after a while we felt burdened by the organisation. We have this entrepreneurial spirit and drive, but we were spending too much time in committees."

Although this woman was at the head of a major firm, she reported a strong desire for flexibility. Many of the other women spoke about family commitments as motivation to start their businesses. For example, one woman reported the need to start her own company in order to improve her two children's future security,

> "In the year 2000, [former employer] had made a lot of profit-- over one million pounds of profit and they decided not to pay out dividends. And as a minority shareholder, I had no say in that. So, it was a best year and there were no dividends. And I had been taking less out of the business in the short term to get more out in the longer term. And I just thought, 'Actually, I can't risk this. This is the children's education.'"

Discussion & Conclusions

The shift from 'linear' to 'multidirectional' careers (Baruch, 2004) can take many forms, including women leaving corporate management positions to start own businesses. As women receive higher relative returns for their skills in self-employment than in the wage and salary sector (Devine, 1994), especially in professional and managerial areas (Moore & Buttner, 1997), and report higher satisfaction from entrepreneurial careers (Burt, 2000), it seems inevitable that some senior women managers will choose to exit corporate organisations and start their own companies.

This paper has explored the phenomenon, with special focus on the knowledge and skills senior women managers obtain in previous experience and leverage in new ventures. There are two main contributions to the extant body of knowledge about women's advancement from managerial to entrepreneurial careers. The first is the need for a perspective which takes into account the dynamic nature of women's career transition from senior management roles in traditional organisations to starting new ventures. The second contribution is a focus on the 'carriage' of embedded career capital which managers accumulate during work experiences and may apply when starting their new businesses. The study also lends itself to practical implications for senior women managers eager to advance their careers as entrepreneurs and companies keen to retain these women.

In the age of the boundaryless career, the concept of ‘embedded career capital’ is put forward as those human capital and social capital competencies which are transferable from past experiences to the new venture. In contrast, ‘embodied career capital’ is that which is accumulated during work experiences but anchored to and possessing little value outside the arena in which it was originally developed. Senior women managers’ investment in their human and social capital while in traditional organisations can assist start-up activities. In the interviews, the women highlighted the contributions of human capital or ‘knowing how’ such as industry experience and start-up experience. Social capital or ‘knowing whom’ in the form of partner(s), mentor(s) and other individuals were useful in making the transition. Some of the women reported experiences which were not valuable to new start-ups. Although peripheral to the study’s main aim, the role of ‘knowing why’ and motivations were also relayed in the interviews and were found to be consistent with previous research.

This study also offers important implications to both companies and employees. Diverse workforces are said to provide organisations with creativity and insights into new markets, and are critical to firm competitive advantage and performance (Wright et al, 1995). Simply put, corporations simply cannot afford to let their top female managerial talent walk out the door. Companies keen to retain women must champion efforts to develop women’s human capital and social capital, offer challenging and often ‘entrepreneurial’ or business development roles in the firm and satisfy needs for flexible working arrangements. In the event that talented women managers do leave, the firm can seek to retain positive associations through alumni and other networks.

The senior women managers relayed their experiences in traditional organisations as serving as learning environments, particularly during the earlier years of their careers. Women employed in organisations who would someday like to start their own businesses may wish to consider their long term goals and build embedded career capital in terms of learning critical knowledge and skills and engaging in key networks. This could include opportunities to obtain start-up experience in the firm, for example in corporate venturing or new business development arenas.

In addition to the effects of transferability of career capital on women’s transitions from corporations to their own start-ups, which were the purpose of this study, the transitions that these women and other women make could also be examined within the larger framework of career theory. For instance, Mainiero and Sullivan (2005) developed the concept of the ‘kaleidoscope’ career to examine how relationships (e.g., with spouse, children, relatives, and friends) impact women’s career decisions. They suggest: “That like a kaleidoscope that produces changing patterns when the tube is rotated and glass chips fall into new arrangements, women shift the pattern of their careers by rotating different aspects in their lives to arrange their roles and relationships in new ways” (2005:1). The kaleidoscope concept could serve as a framework for further examination of women’s motivations to start own businesses while the concept of embedded career capital how women made this transition. By integrating these two ideas, we may gain a better understanding of the careers of women entrepreneurs.

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